

CHAPTER: IX FINANCIAL ELIGIBILITY	SECTION: 6 INCOME - STEPPARENT CALCULATIONS	COMAR: 07.03.03.12
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INCOME CALCULATIONS

- A. The income of a stepparent who is not in the assistance unit is deemed available to the assistance unit if it equals or exceeds 50% (column C of the FIP Schedule) of the federal poverty level for a household size that includes:
 1. The stepparent
 2. Members of the assistance unit
 3. Any other dependents of the stepparent not in the TCA assistance unit but living in the home
- B. When the income of the stepparent is deemed available to the assistance unit, it is counted after allowable deductions are made
 1. Allowable deductions are:
 - 20% of the gross earned income or 50% of self employed earnings (the cost to produce is included)
 - Child care expenses paid to persons outside of the assistance unit up to a maximum of \$200 for full-time employment or up to a maximum of \$100 for part-time employment
 - Child support payments made to persons outside of the assistance unit
 - Alimony payments made to persons outside of the assistance unit
 - The benefit payment amount for the stepparent and his dependents in the home that are not in the assistance unit
 2. The result is the income available to the assistance unit

Note: The 20% and 50% disregards apply only to **earned income**. The other allowable deductions are applied to the both earned and unearned income of the stepparent.

EXAMPLES:

- Example 1. Mr. Worcester and his 2 children live with his wife and her 2 children. There are no children in common. Mr. Worcester is employed and earns \$1000 a month, which is above 50% of the federal poverty level for a family size of 6. He pays \$150 alimony a month to a former wife and \$250 in court ordered child support payments for a son of a former marriage.

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- Since there is no child in common, Mr. Worcester and his children have the option of being included in or excluded from the assistance unit
- If Mr. Worcester and his 2 children are included, the assistance unit size will be 6
 - a. 35% of \$1000 (gross monthly earnings) = \$350
 - b. Monthly child support payment = \$250
 - c. Monthly alimony payments = \$150
 - Total allowable deductions = \$750
 - d. \$1000 - \$750 (Net countable earnings) = \$250
 - e. TCA benefit grant amount for 6 = \$641
 - f. Less the net countable earnings = \$250
 - g. Monthly TCA benefit grant amount = \$391
- If Mr. Worcester and his 2 children are excluded, the assistance unit size will be 3 (Mrs. Worcester and her 2 children):
 - a. 20% of \$1000 (gross monthly earnings) = \$200
 - b. Monthly child support payments = \$250
 - c. Monthly alimony payments = \$150
 - d. Amount for an assistance unit of 3 = \$417
 - Total allowable deductions = \$1017
 - e. \$1000 - \$1017 (Net countable earnings) = \$ 0
 - f. TCA benefit grant amount for 3 = \$417
 - g. Less the net countable earnings = \$ 0
 - h. Monthly TCA benefit grant amount = \$417

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Note: If Mr. Worcester and his 2 children are included in the assistance unit, they automatically receive medical assistance, and the entire assistance unit of 6 could receive food stamp benefits. If excluded, Mr. Worcester's 2 children would be eligible for Maryland Children's Health Program (MCHP), and Mrs. Worcester and her 2 children would be eligible to receive the maximum allowable TCA grant amount. Case managers should point out to the family that there is only a \$26. difference between the exclusion and inclusion choices, and provide the pros and cons of each so that the customer or applicant can make the best choice for the entire family.

ADDITIONAL INFORMATION:

Assistance Unit – Basic Requirements